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ARIZONA MINING & INDUSTRY GET OUR

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TO: AMIGOS MEMBERS
FROM: SYDNEY HOFF HAY
SUBJECT: PRESS RELEASE FROM ASARCO
DATE: 1/23/98

Attached for your information is a press release regarding a monumental agreement between ASARCO and the EPA. We will hear more about ASARCO's plans at a future Face-to-face luncheon.

the association of suppliers to mining and industry

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-23-98 01:22 PM

JAN 23 98 11:10 FROM: ASARCO TUCSON

P. McAllister TO: P. K. McAllister

DATE: 1/23/98 TIME: 08:27:22

ASARCO**NEWS**

ASARCO Incorporated
180 Maiden Lane
New York, N.Y. 10038-4991

FOR IMMEDIATE RELEASE**ASARCO ENTERS COMPLIANCE INITIATIVE
AGREEMENT WITH EPA****- Environmental Management System Established -**

NEW YORK, N.Y. January 23, 1998 -- ASARCO Incorporated (NYSE:AR) announced today that it has reached a multi-region voluntary agreement with the Environmental Protection Agency on a broad range of environmental issues affecting its operations throughout the United States and on specific programs affecting two of its major properties.

Asarco and the Environmental Protection Agency have been working together for nearly two years to establish a voluntary compliance framework within which issues could be resolved. The discussions covered the Company's copper and lead mining, smelting and refining operations in the U.S. The discussions resolved a number of major issues and the agreement incorporates an Asarco-initiated comprehensive Environmental Management System (EMS).

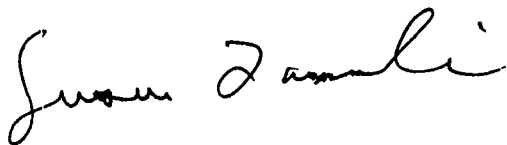
Asarco and EPA have also committed to continue the dialogue regarding other facilities.

The Environmental Management System is the most significant aspect of the Asarco-EPA voluntary compliance initiative. The new EMS process combines operational and environmental systems and encompasses policy, administrative, maintenance and continuous improvement practices.

Commenting on the accord, Richard de J. Osborne, Chairman of the Board and Chief Executive Officer said, "We believe that this cooperatively developed agreement between Asarco and the U.S. Environmental Protection Agency, establishes a basis for the Company and Federal and State agencies to work together in the future. We invited and have welcomed the open dialogue that has been part of the process and look forward to working cooperatively with the EPA and state environmental protection agencies."

The agreement includes a commitment to undertake new capital projects totaling \$61.5 million and will cover a number of operational changes to resolve disputed environmental compliance issues at the Company's Ray copper mine near Kearny, Arizona, and at the Company's lead smelter in East Helena, Montana. The Company has agreed to pay penalties of \$6.4 million applicable to past open issues. The improvement projects are now part of the Company's planned capital expenditure program for the next six years and the Company's existing environmental reserves are adequate to cover the penalty charge. The agreement does not constitute an admission of wrongdoing or liability by the Company.

(more)



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JAN 23 '98 11:19 FROM:ASARCO TUCSON

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At its Ray mine, the Company will undertake capital projects designed to improve the water quality of Mineral Creek. The Arizona Department of Environmental Quality participated with the EPA and Asarco in the Ray mine agreement.

At its East Helena smelter, the Company will undertake further capital projects to improve the environmental performance of the plant and will implement additional measures which may be identified in future studies which will be submitted to EPA. As part of this agreement, the Company and EPA agreed upon a compliance program for materials management at the plant. Additionally, Asarco agreed to undertake a wetlands improvement and wildlife habitat program at a lake area within the East Helena plant boundary.

The agreement is reflected in two consent decrees which have been lodged in U.S. District Courts in Arizona and Montana, and is subject to public comment and approval of the Courts.

ASARCO Incorporated is one of the world's leading integrated producers of nonferrous metals, principally copper, lead, zinc, silver and molybdenum. Asarco also produces specialty chemicals and aggregates.

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